

Worksheet R

Private-Sector Development

Calculation of Total Annualized Project Costs

Capital Costs to be financed (Supplied by applicant)	\$ _____ (1)
Interest Rate for Financing (Expressed as a decimal)	_____ (i)
Time Period of Financing (Assume 10 years *)	_____ 10 years (n)
Annualization Factor ** = $\frac{i}{[(1+i)^n - 1] + i}$	_____ (2)
Annualized Capital Cost [Calculate: (1) x (2)]	\$ _____ (3)
Annual Cost of Operation and Maintenance (including but not limited to monitoring, inspection, permitting fees, waste disposal charges, repair, administration and replacement) ***	\$ _____ (4)
Total Annual Cost of Pollution Control Project [(3) + (4)]	\$ _____ (5)

* While actual payback schedules may differ across projects and companies, assume equal annual payments over a 10-year period for consistency in comparing projects.

** Or see Appendix B for calculated annualization factors

*** For recurring costs that occur less frequently than once a year, pro rate the cost over the relevant number of years (e.g., for pumps replaced once every three years, include one-third of the cost in each year).